If you are in doubt as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shandong Molong Petroleum Machinery Company Limited*, you should at once hand this circular together with the enclosed form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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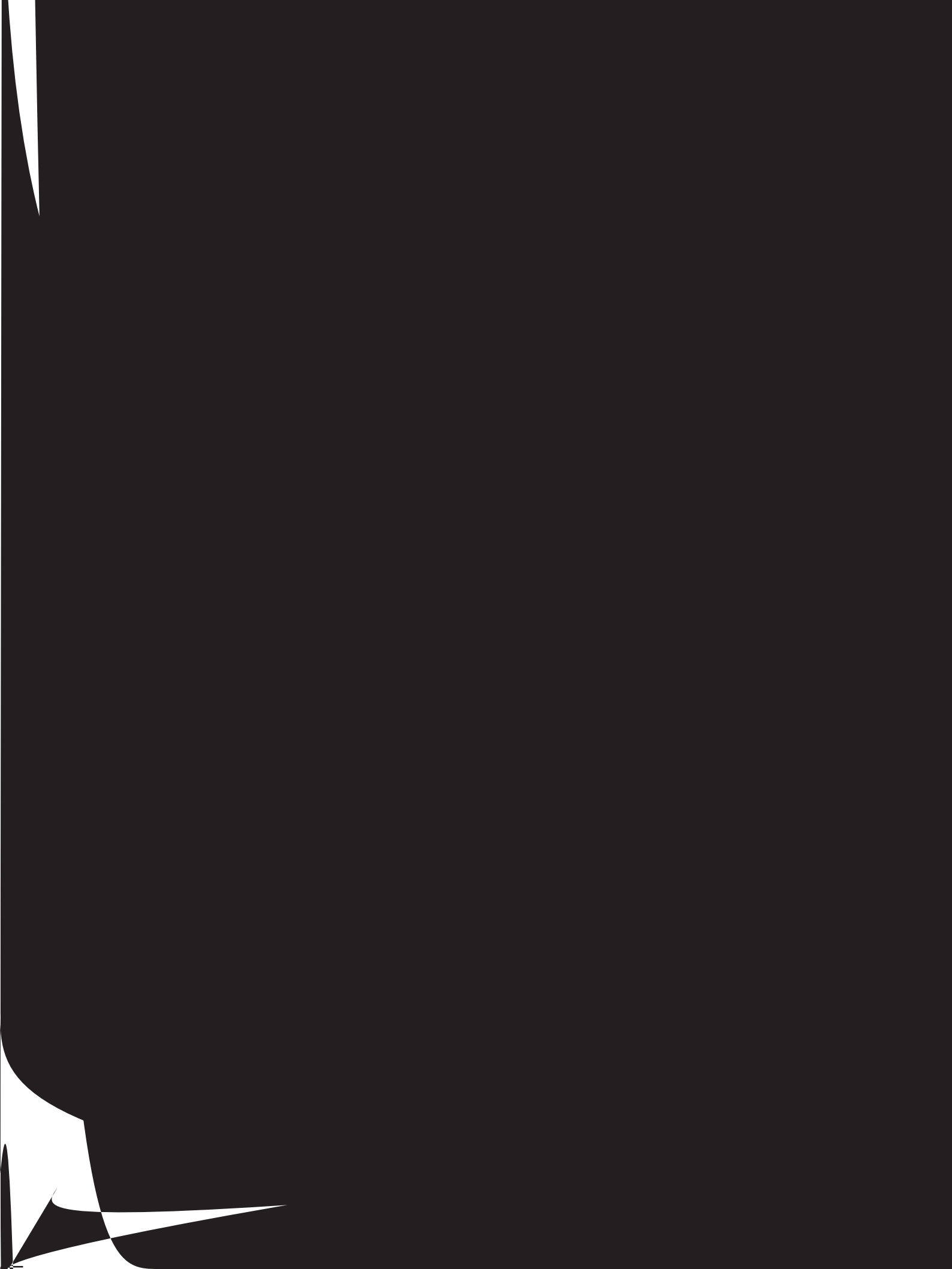
In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"A Share(s)"	ordinary domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the SZSE and traded in RMB
"Articles of Association"	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
"Board"	the board of Directors
"Company"	山東墨龍石油機械股份有限公司 (Shandong Molong Petroleum Machinery Company Limited*)
"Company Law"	the Company Law of the People's Republic of China （中華人民共和國公司法）
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held at 2:00 p.m. on Tuesday, 12 October 2021 at the Conference

"PRC"	the People's Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of Share(s)
"SZSE Listing Rules"	the Rules Governing the Listing of Shares on SZSE
"SZSE"	Shenzhen Stock Exchange
"Supervisor(s)"	supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee

For ease of reference, the names of the PRC incorporated companies and entities have been included in this circular in both Chinese and English language. In the event of any inconsistency, the Chinese name shall prevail.



employee representative Supervisors of the seventh session of the Supervisory Committee for a term of three years commencing from the date on which the resolution is considered and approved at the EGM.

Brief biographies of the candidates for Supervisors proposed to be elected at the EGM are as follows:

Mr. Lin Jun (林鈞), male, Chinese, Han ethnicity, born in March 1979, aged 42, is a member of the Chinese Communist Party and graduated from East China University of Political Science and Law with a master's degree. He was previously accredited as an outstanding party member of Shanghai Municipal Bureau of Justice, an advanced individual in Shanghai Jiading judicial administration system and a nominee for top 10 outstanding young lawyer in Shanghai. He is now a partner at Shanghai Baiyulan Law Firm (上海市白玉蘭律師事 、), a member of Shanghai Jing'an Youth Federation, the chairman of the supervisory committee of Shangying Global Co., Ltd. (商贏環球股份有限公司), a company the shares of which are listed on the Shanghai Stock Exchange (stock code: 600146), and a director of TATA Health International Holdings Limited, a company the shares of which are listed on the Hong Kong Stock Exchange (stock code: 1255).

Mr. Liu Cheng An (劉成安), male, Chinese, Han ethnicity, born in March 1973, aged 48, is a member of the Chinese Communist Party and a doctor of law. He previously served in positions such as the vice president of the Supreme People's Court of Shandong Province and third-level senior judge. He is now a teacher at the School of Law in Shandong Jianzhu University (山東建築大學), a council member of Shandong Association of Engineering Law and the vice chairman of Shandong Association of Insurance Law.

In accordance with the Company Law and the Articles of Association, the Supervisors newly elected shall have a term of service commencing from the date of the EGM. The Company will enter into a service contract with the above Supervisor candidates, if elected. The remuneration (if any) of the Supervisor candidates will be determined by the Board at the recommendation of the remuneration committee of the Company having considered their responsibilities in the Company and with reference to the market rate of remuneration.

The resolution regarding the election of Supervisors shall be voted under the cumulative voting system. Each share shall have the same number of voting right as the number of the electing Supervisors and Shareholders can use their voting rights to vote for the same (one) candidate, or to vote for different candidates. However, the votes cast must not exceed the maximum voting entitlement conferred by the Shares they own, otherwise, such votes will become null and void and such shareholders will be deemed to have abstained from voting on such.

3. THE EGM

The notice of the EGM is set out on pages 7 to 8 of this circular. The Company will convene the EGM on Tuesday, 12 October 2021 at the Conference Room, No. 999 Wensheng Street, Shouguang City, Shandong Province, the People's Republic of China for the purpose of seeking Shareholders' approval for the resolution in relation to the proposed election of Supervisors.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. The proxy form should be returned to the registrar for H Shares of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares), and to the Company's registered address in the PRC at No. 999 Wensheng Street, Shouguang City, Shandong Province, the PRC (for holders of A Shares) no later than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

In accordance with Rule 13.39 of the Hong Kong Listing Rules, except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, any vote of Shareholders at the EGM must be taken by poll. Accordingly, the resolution will be put to vote by way of poll at the EGM. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

4. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 7 October 2021 to Tuesday, 12 October 2021, both days inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the EGM, all transfer documents must be lodged with the registrar for H Shares of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares), for registration no later than 4:30 p.m. on Wednesday, 6 October 2021. The Company will publish specific announcement on SZSE setting out details of the eligibility of holders of A Shares to attend the EGM.

5. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in this circular is accurate and complet

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Notes:

(A) The register of members of the Company for H Shares will be closed from Thursday, 7 October 2021 to Tuesday, 12 October 2021, both days inclusive, during which period no H Share transfer will be effected. In order to qualify for attending and voting at the EGM, all transfer documents of H shares, accompanied by the relevant share certificates, must be lodged with the registrar for H Shares of the Company for registration no later than 4:30 p.m. on Wednesday, 6 October 2021.

The address of the registrar for H Shares of the Company is as follows:

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong

The Company will publish specific announcement on Shenzhen Stock Exchange setting out details of the eligibility of holders of A Shares to attend the EGM.

(B) The holders of H Shares whose names appear on the register of members of the Company at 4:30 pm on Wednesday, 6 October 2021 will be eligible to attend and vote at the EGM.

(C) A form of proxy for use at the EGM is enclosed. Such form of proxy is also published on the websites of the Hong Kong Stock Exchange and the Company. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the H Share registrar of the Company, Tricor Investor Services Ltd at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the EGM and voting in person if you so wish.

(D) If a proxy attends the EGM on behalf of a Shareholder, he/she should produce his/her proof of identity and the instrument signed by the proxy or his/her legal representative, which specifies the date of its issuance. If the legal representative of a legal person Shareholder attends the EGM, such legal representative should produce his/her proof of identity and valid documents evidencing his/her capacity as such legal representative. If a legal person Shareholder appoints a representative of a company other than its legal representative to attend the EGM, such representative should produce his/her proof of identity and an authorisation instrument affixed with the seal of the legal person Shareholder and duly signed by its legal representative.

(E) The EGM is expected to last for an hour. Shareholders attending the EGM are responsible for their own transportation and accommodation expenses.

As at the date of this notice, the Board comprises the executive Directors, namely Mr. Yang Yun Long, Mr. Yuan Rui and Mr. Li Zhi Xin; the non-executive Directors, namely Mr. Yao You Ling and Mr. Wang Quan Hong; and the independent non-executive Directors, namely Mr. Tang Qing Bin, Mr. Song Zhi Wang and Mr. Cai Zhong Jie.